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March 8, 2000

SBC

EX PARTE OR LATE FILED

NOTICE OF <u>EX PARTE</u> PRESENTATION

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W., TW-A325
Washington, D.C. 20554

> RE: In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor, to SBC Communications Inc., Transferee.
> CC Dkt No. 98-141

Dear Ms. Salas:

Please be advised that the following individuals from SBC Communications met today with Commission staff to answer questions on SBC's February 15, 2000 letter to Mr. Larry Strickling which addressed the ownership of combination ADLU plugs/cards and Optical Concentration Devices (OCDs) in connection with Project Pronto. Attending for SBC were Marian Dyer, Joe Cosgrove, John Atterbury, Wayne Masters, James Keown, Paul Mancini, James Smith, and Rod Cruz. Also representing SBC was Austin Schlick of Kellogg, Huber, Hansen, Todd, and Evans. Attending for the Commission were Michelle Carey, Bob Atkinson, Mark Stone, Sherry Herauf, Henry Morrow, Johanna Mikes, Tony Dale, Jerry Stanshine, Shanti Gupta, William A. Hill, Jake Jennings, Hugh Boyle, Robert Hood, Bill Dever, William Kehoe, Jon Reel, Christopher Libertelli, Staci Pies, Michael Jacobs, Bob Bentley, Mark Gerner, and Mark Stephens.

The primary issues discussed were the network configuration and technology currently planned for Project Pronto deployment, the ownership issue, the multiple alternatives available for offering DSL services by all CLECs whether affiliated or unaffiliated, the increased market availability for DSL services post Pronto deployment, and SBC's commitment to meet its nondiscriminatory obligations under the Merger Conditions, the UNE Remand Order, and the Line Sharing Order. SBC provided staff a video of a meeting held with the CLECs on March 1, in which these issues were explored. A transcript of that meeting is attached.

In accordance with the Commission's rules, an original and one copy of this notification are submitted herewith.

Sincerely,

Marian Dyer

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List ABCDE

CC: All FCC staff listed above

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10   PROJECT PRONTO

11   PRODUCT OVERVIEW

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14   MARCH 1, 2000

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16   One Bell Plaza

17   Concourse Auditorium

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1   MR. CRUZ: Welcome, everyone, to the
2 broadband UNE CLEC forum. This meeting is a genesis
3 for several different conversions and activities in
4 our industry. Specifically one of the biggest ones
5 from our perspective is SBC's investment in the
6 PRONTO architecture and fiber build-out that we're
7 going to deploy over the course of the next three
8 years. And so the purpose of this meeting is to
9 inform the CLEC community of how -- what SBC's
10 unbundled plan will be with respect to that
11 architecture.
12   In addition to that, I think we have a lot
13 of other activity going around us such as UNE
14 Remand. We also have the high demand for the DSL
15 service which I think could also be, you know,
16 utilized to deliver over this architecture,
17 et-cetera. So, we've had a lot of requests from a
18 lot of our customers, and we've had a lot of
19 interest in this topic and discussion, so we thought
20 instead of having several one-on-one conversations,
21 we'd have one big forum to discuss the entire, you
22 know, plan and product description. And we have a
23 fairly detailed outline hopefully in front of you
24 that you guys can review as Chris Boyer, who will be
25 presenting the information for you today, will

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1 discuss.
2   My name is Rod Cruz and I do work for SBC
3 and I have wholesale marketing or product management
4 responsibilities. I do work on DSL product and also
5 this, what we're calling this broadband UNE or UNE
6 on steroids as I like to reference it, and so that
7 gives you a perspective on my background.
8   Just some logistics for now. We plan on
9 taking breaks about every hour because this
10 information's going to be lengthy and detailed, and
11 so we're going to take a break about every hour on
12 the hour. If you guys aren't familiar with the
13 facilities, I believe the ladies' rest room is to my
14 right and the men's rest room is down the hall.
15 There's also a couple of telephone banks also to the
16 right and the left if you guys need to make your
17 calls and don't have a wireless with you.
18   In addition, we have a couple of other
19 activities going on. We have a court reporter
20 that's here that's going to create a record and a
21 transcript for distribution of this meeting for
22 anyone that hasn't or is not present and would like
23 to review it at a later time. So, as you -- I think
24 the format will be that we're going to discuss this
25 over the next few hours and if we could just maybe

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1 ask you to hold your questions, maybe jot them down
2 so we don't forget them, and either -- hopefully
3 Chris will cover them in the presentation, or at the
4 end of the presentation we have some time allotted
5 to go over some Q and A's with you guys that
6 hopefully will address any outstanding questions you
7 may have.
8   So, when we do that, please be conscious
9 that we do have a court reporter here. We'd like
10 for you to, you know, be very clear with your name
11 and also the company you're representing so that we
12 can also capture that for posterity. In addition to
13 that, if you guys haven't been able to notice, we do
14 have a video camera going as well, and so that will
15 be another media distribution that we can use to
16 share the outcome of the meeting as well.
17   So, without further ado, I'd like to turn
18 it over to Chris Boyer who will cover the material
19 with everyone in the room. Thank you.
20   MR. BOYER: Hello. I'm going to
21 start off with by reading some information related
22 to the video cameras here in case if anyone is
23 curious as to why we are videotaping this
24 conference. Basically we got a request late
25 yesterday by one party that wanted to record this.

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1 While we don't have any problem allowing people to
2 keep a record of what is said during the meetings
3 whether it be video or transcript, we think all
4 parties should have an opportunity to do that.
5   In order to ensure that everybody has a
6 fair opportunity to do such, there needs to be
7 arrangements made in advance of the meeting for
8 that. It is not reasonable to call the day before
9 and expect it to be able -- that request to be able
10 to be accommodated. However, we are in an attempt
11 to be as candid as possible trying to share our best
12 information about where we are heading.
13   We recognize that this is something we are
14 all learning about both technologically as well as
15 from the regulatory perspective. This is subject to
16 change so that the positions we are taking are
17 subject to whatever further refinements we would
18 think be appropriate based upon the learnings from
19 actual experience and deploying this because it is
20 something that has never been done before and we do
21 expect that we will learn over time about issues and
22 problems that need to be resolved and addressed.
23 Moreover, all of this is subject to regulatory
24 proceedings in a number of forums and our positions,
25 as I'm sure our opponents', may change as we get

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1 instructions from the regulator.
2 So, that's the -- I wanted to read that to
3 initiate the meeting. We have had request for the
4 video, so that's the reason why the video camera is
5 here. And as Rod had addressed before, copies of
6 the videotape and also the transcript will be made
7 available upon request, so --
8 To move forward, what I'm going to do is
9 I'm going to present the unbundling plan for PROJECT
10 PRONTO, and I have a slide show that I'm going to
11 present here. Basically an outline of what I'm
12 going to talk about today is going to consist of and
13 if we're going to introduce PROJECT PRONTO for those
14 of you here who are not familiar with what that
15 means. Following that I'm going to do at a very
16 high level an overview of the infrastructure that we
17 plan on deploying in conjunction with PRONTO, and
18 I'm going to talk about what we commonly refer to as
19 DLE, which stands for digital loop electronics, and
20 I'm going to talk about the non-DLE or the
21 traditional DSL infrastructure at a very high
22 level. This is not meant to be an extremely
23 technical discussion, but we're going to do a brief
24 overview of the infrastructure.
25 Following that discussion, I plan on

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1 presenting a few comments in regards to the SBC
2 request for interpretation of merger conditions
3 which I think several of you are probably aware of
4 that issue, and then I will get into the actual
5 unbundling plan, presenting the product that I am
6 developing. I am responsible for the development of
7 the PRONTO unbundled elements, so I will get into
8 some details about the product itself. Following
9 that, I will present what we -- we are considering
10 for our high level service order flow that we are
11 developing in conjunction with these UNEs and get
12 into a little bit more detail about the product and
13 how we're going to order and bill for it.
14 So, I will -- I would like to comment that
15 most of this material is being developed by my
16 product team as we speak. We still have several
17 issues that we need to resolve, so any of this is
18 subject to change in the near future. So, without
19 further ado, I'm going to move forward.
20 The first thing I want to talk about is
21 the request for interpretation of merger conditions
22 as part of the introduction. And for those of you
23 who do not know, FCC has requested or SBC has
24 requested that the FCC give us an interpretation of
25 the merger conditions to allow SBC to own some or

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1 SBC TELCOs to own some advanced services equipment
2 that in the merger conditions was specified as
3 belonging to our new subsidiary, ASI.
4 The reasoning behind that issue is that
5 there are several elements that are part of the DLE
6 infrastructure that are necessary for us to own if
7 we want to provide what we consider to be an
8 effective service to the CLEC community. So, as I
9 go through this -- as I go through this
10 presentation, I'm going to talk periodically about
11 the reasoning as to why we are requesting this
12 interpretation.
13 So, really the meeting has a dual purpose
14 as it shows on this slide. We want to talk about
15 that particular issue, and we also would like to
16 address the actual product itself for those of you
17 who are interested in purchasing the unbundled
18 elements represented under PRONTO. The last bullet
19 on this slide mentions assumptions. Our general
20 assumption in this product design is that the
21 telephone company will own the elements that we were
22 requesting the interpretation for, so it is subject
23 to change.
24 Quick definition of PROJECT PRONTO.
25 Basically what PRONTO's designed to do is to

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1 increase the reach of DSL services to end users. As
2 Rod had mentioned, we are deploying integrated
3 digital loop carrier systems or digital loop carrier
4 systems in new and existing remote terminals. The
5 reasoning for that is to shorten the loop length to
6 limit the impacts of loop conditioning and increase
7 the availability of DSL service. The unbundling
8 plan, the PRONTO unbundling plan is basically a work
9 effort that I'm heading up within wholesale
10 marketing along with Rod, and basically we are just
11 developing a plan to unbundle these particular
12 elements to make them available to the CLEC
13 community.
14 And a quick definition of DLE as I
15 mentioned, DLE refers to digital loop electronics.
16 That refers to a digital loop carrier system that is
17 deployed in the field that consists of fiber to
18 remote terminal. So, when I reference the DLE
19 environment, that is specifically what I'm referring
20 to.
21 Well, the first thing I want to do when I
22 talk about infrastructure is I want to kind of build
23 this up a little bit from the basic -- a basic
24 non-DLE or traditional DSL environment to what we
25 would consider to be our DLE environment. So, the

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1 non-DLE infrastructure is typically defined by a
2 central office-based DSLAM, by UNE xDSL capable
3 loops, just a traditional DSL service offering, and
4 this diagram is intended to represent how I would
5 envision a traditional service offering where you
6 have an end user, you have a physical copper loop
7 going back to a main distribution frame in a central
8 office that is cross-connected to some DSL equipment
9 that's collocated in the central office, okay.
10   There are some limitations on the non-DLE
11 infrastructure. For those of you familiar with DSL,
12 the availability of DSL service is limited by loop
13 length and conditioning. There are several
14 solutions to this problem, and I've listed some of
15 them there. One would be to shorten the loop length
16 by placing a DSLAM in the remote terminal. Another
17 method, this method would require collocation of DSL
18 equipment in new and existing CEVs and huts if space
19 and environmental capacity's available. This would
20 also require the purchasing of dark fiber from the
21 serving wire centers to remote terminals where it's
22 available. And it's also going to require the
23 collocation of DSL equipment in the serving wire
24 center.
25   So, those are all issues that would have

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1 to be resolved in order to shorten loop length under
2 the existing infrastructure that we have deployed
3 today in quite a few locations. The alternative
4 solution to this is digital loop electronics or
5 DLE.
6   If I'm going too fast, please tell me to
7 slow down and I'll slow down.
8   The elements that are necessary to
9 provision DSL in the DLE environment are going to
10 consist of remote terminal equipped with digital
11 loop carrier systems, remote terminal combo cards or
12 what we're calling ADLU cards which is an Alcatel
13 card that provides a function very similar to a
14 DSLAM. Also provides a splitter function splitting
15 the voice signal from the data, remote terminal
16 derived UNE sub-loops, digital loop carrier central
17 office terminal equipment, a dedicated OC-3c
18 transport facility for voice and another for data
19 from the remote terminal to the central office, and
20 an opt -- and what we are calling an optical
21 concentrator devise for inbound data traffic in a
22 central office and then access to ATM capacity by
23 interoffice facilities. Those are the various
24 elements that would make up DLE.
25   This diagram here is a high level diagram

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1 with the DLE infrastructure. What I'm going to do
2 is I'm going to talk from the box that's labeled CPE
3 all the way over to the left.
4   From the customer premise, which I would
5 assume would be the box labeled CPE, you will have a
6 copper facility. The copper facility will go from
7 the customer premise to an SAI box, which is just a
8 cross-connect box out in the field. In the SAI box
9 a physical cross-connect will be made from -- well,
10 you could consider distribution copper to the end
11 user's location to a feeder copper facility, and
12 that will be a 25 or pair 50 -- 25 or 50 pair feeder
13 facility that would go out to the SAI.
14   Once that cross-connect is made, that
15 customer's line will be integrated into an ADLU card
16 presence in the remote terminal. The ADLU card
17 itself is an ADSL line unit card that we place in a
18 digital loop carrier channel bank that's placed in
19 the RT. And at this present time we have chosen two
20 vendors for the digital loop carrier equipment. We
21 are deploying the Litespan 2000, 2012, and we are
22 also deploying a UMC 1000 DLC system. So, at the
23 SAI box by making that cross-connect, that end
24 user's loop is picking up the DSL capability and
25 it's being run into one of these -- the ADLU card is

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1 the card that's used in conjunction with the
2 Litespan, so it's run into this ADLU card, okay.
3 The ADLU card itself serves as a splitter device
4 splitting the voice signal from the data.
5   So, what this diagram shows is, is the
6 actual function -- is the actual splitting function
7 occurring at that card. And what it will do is
8 we're going to have a fiber that goes out from the
9 central office to the RT. We're going to have
10 dedicated fiber strands, an OC-3c dedicated fiber
11 strand for data and another one for voice. So, once
12 the signal hits the ADLU card and we split the voice
13 and data signal, it is piped over these -- over
14 their respective facility for voice and data. So,
15 you have a dedicated facility for data which means
16 that at that point in time they both are writing
17 different infrastructures within our network.
18   The actual signal from the remote terminal
19 is the line that's labeled OC-3c for data terminates
20 in a device that's called an optical concentration
21 device. What the optical concentration device does,
22 it has the technical capability to take multiple
23 incoming OC-3's from multiple remote terminals and
24 actually read the incoming packets so that we can
25 take what would be lightly loaded OC-3's from RTs

1 and concentrate them into a very densely-packeted
2 OC-3 on the outbound side.
3   So, we expect the traffic from each remote
4 terminal going back to the central office to be
5 relatively light at the initial go of this product
6 due to the fact that obviously our DSL penetration
7 rate is not as high as we expect it to be in the
8 future, and also because of the fact that the OC-3
9 pipe is such a wide or fat pipe that we're going to
10 not -- that it will transport more traffic than we
11 envision at this current time. So, you will have
12 multiple signals from multiple end users over that
13 OC-3c facility going into the OCD.
14   Now, we're looking at the plane multiple
15 RTs per OCDs, so we might have anywhere from just
16 off the top of my head maybe 15 to 20 remote
17 terminals off of this one OCD. So, we could have 15
18 to 20 incoming OC-3c's for data that are going into
19 that device. So, the idea behind the OCD is to take
20 the packets from all those individual lightly-loaded
21 OC-3's and use the OCD to read the packets,
22 repacketize them and route them to a port on the
23 outbound side.
24   So, what we're going to -- what we're
25 going to do is, is we're going to have several ports

1 that are handling inbound traffic from the RTs into
2 the OCD, and we're going to set up what we're
3 calling a virtual cross-connect. The virtual
4 cross-connect will be in the OCD, and what it will
5 do is it will allow a CLEC to come in and purchase a
6 port on the outbound side of the OCD to take their
7 individual traffic.
8   So, the way this would work is, is that if
9 you had a DSL customer that purchased a DSL capable
10 loop out of this infrastructure, their signal will
11 be routed from the ADLU card where the voice and
12 data is split. The data signal will ride this
13 common fiber, this OC-3c transport facility into the
14 OCD, and the OCD will be basically translated to
15 have the intelligence to actually read your incoming
16 DSL traffic to determine what the routing slip is
17 going to be on the individual packets belonging to
18 whatever CLEC has purchased this loop and then route
19 it to a port on the outbound side. And we're going
20 to allow the CLECs to come in and purchase ports on
21 the outbound side.
22   So, once it reaches the OCD, the signal
23 leaves the OCD on the outbound side and is routed to
24 an ATM cloud of some sort, wherever it might be
25 located at. In this diagram it shows a CLEC

1 collocation point or possibly a CLEC ATM switch or
2 ATM cloud in an adjacent central office.
3   Now I'm going to quickly run through some
4 slides with you that I just talked about that define
5 these various elements in paper so you have a copy
6 of this when you leave the room. The optical
7 concentration device, again, is a generic term for a
8 device that takes a group of incoming OC-3's from
9 multiple remote terminals or DSLAMS and then
10 concentrates the signal into one or more outgoing
11 OC-3's. The OCD cross-connect will take incoming
12 ATM packets for multiple 0C-3's and multiple remote
13 terminals, depacketize the incoming 0C-3, read the
14 routing information on the individual groups of
15 packets and then concentrate or repacketize these
16 into outgoing OC-3's designated to a particular ATM
17 switch.
18   The ADLU common card is the card that
19 splits the voice from the data and provides the
20 functionality similar to a DSLAM. The OC-3c data
21 transport is a physical fiber strand from the remote
22 terminal to the serving wire center. This facility
23 will transmit a dedicated facility OC-3c for data
24 from the digital loop carrier equipment to the OCD.
25 And again, it's designed to take multiple packetized

1 data signals and transport those back to the central
2 office.
3   The permanent virtual circuit. The
4 permanent virtual circuit's going to be necessary to
5 be provisioned both in the field in the digital loop
6 carrier equipment and also in the central office.
7 And by that I mean that in order for an incoming
8 copper DSL loop to have access to the 0C-3 facility
9 that goes from the RT to the CO, we're going to have
10 to provision a virtual cross-connect in the DLC
11 equipment. We're going to also have to provision
12 one in the central office in the OCD. So, there's
13 going to be -- really technically there will be two
14 virtual cross-connects, one in the RT and one in the
15 central office.
16   At this point in time the virtual
17 cross-connects, which are commonly referred to as
18 permanent virtual circuits that we are offering are
19 unspecified bit rate UBR permanent virtual circuits
20 at this point. We are not offering constant bit
21 rate PVCs at this point in time although we do -- we
22 have had some consideration of offering this in the
23 future. At this point in time we are only offering
24 unspecified bit rate PVCs.
25   MS. SMITH: I'm sorry. What did you

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1　say you were not offering at this time?
2　　　　MR. BOYER: We're not offering a
3　constant bit rate PVC. I'm sorry. I made that
4　unclear.
5　　　　The OCD port termination, it's going to be
6　a physical termination on the OCD which at this
7　point in time is going to be a CBX-500 ATM switch.
8　That is the device we've procured for this
9　particular function. And that physical port
10　termination will either be at a DS3 or an OC-3
11　level. So, if a CLEC purchases a port on the OCD,
12　they will get either -- they will purchase at the
13　DS3 or the OC-3 speed, and that is a technical
14　limitation due to the switch at this point.
15　　　　The OCD cross-connect, this cross-connect
16　will be something that will be necessary to extend
17　the port to the CLEC point of collocation. We'll
18　extend it to your collocation point or we're going
19　to extend the port to a DSX location in the central
20　office to pick up whatever form of transport that
21　the CLEC would wish to purchase.
22　　　　That pretty much covers the infrastructure
23　piece. Hopefully that was understandable to most of
24　the folks here. The next thing I want to talk about
25　very briefly is the SBC request for interpretation

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1　of merger conditions.
2　　　　Now that I've talked about the
3　infrastructure, in regards to the SBC request for
4　interpretation, the two biggest issues that we are
5　looking at is that we have requested interpretation
6　to allow the SBC TELCOs to own the OCD and the ADLU
7　line card. The OCD itself is -- we have procured a
8　device, again, the Lucent CBX-500 switch which is an
9　ATM switch. The ADLU line card is also considered
10　advanced services equipment because it provides the
11　splitter functionality, splitting the voice signal
12　from the data. So, under the existing merger
13　conditions, SBC would not be allowed to own those
14　cards which would force us to allow the CLECs
15　yourselves to actually own those cards and somehow
16　integrate them into our network.
17　　　　So, internally within SBC we have been
18　having several discussions amongst various
19　individuals to try to come up with a scheme that
20　would allow us or would allow a CLEC to own those
21　devices and physically place them and physically
22　interact with our network that we're deploying. So,
23　we've considered basically three different proposals
24　within our company in relation to this issue.
25　　　　And I would just like to add a real quick

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1　disclaimer on this. We -- by no means is this
2　intended to represent all of the different options
3　that are out there today. You know, and I have
4　listed on the few other slides some -- what we
5　consider to be the pros and cons from both the CLEC
6　perspective and from the SBC TELCO perspective in
7　these different proposals but, again, it's not
8　intended to be an all inclusive list. I'm sure
9　there -- our customers and other individuals may
10　have some additional points that they would like to
11　make on this particular proposal.
12　　　　Basically the three proposals that we've
13　considered are, the first proposal being that the
14　CLEC owns the ADLU card and ships the card to the
15　TELCO for placement in the remote terminal, okay.
16　The logic behind that being that the CLEC would have
17　to own the card to provide the DSL service because
18　that's what does the splitter functionality in this
19　infrastructure. The other logic being that the
20　TELCO still has the responsibility for the voice
21　service that we're going to offer over this line in
22　a line-shared environment, so we would have to place
23　the cards in our RTs.
24　　　　The second proposal that we considered was
25　the CLEC owning what we would call an equivalent

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1　plug or a port level. And what this proposal really
2　was, what we call plug sharing or pooling. And
3　under this scenario, our proposal was that the CLECs
4　would purchase the cards, ship the cards to the
5　telephone company and we would put them into a pool
6　and we would allocate a -- allocate the ports
7　amongst all the CLEC community. Under the first
8　proposal, which I didn't point out before, was that
9　under this proposal the CLEC would have to ship us
10　the card, the TELCO would have to place the card,
11　and in order for this to work, the CLEC would have
12　to identify the remote terminal they want the card
13　placed in, they would have to identify the actual
14　end user customer loops they want tied into that
15　particular card. So, there were a lot of logistical
16　problems that were very difficult for us to iron out
17　with the CLEC actually owning the card.
18　　　　So, we went to a second proposal which was
19　this pooling arrangement. And the reason we wanted
20　to do the pooling arrangement was because, again,
21　those two issues I just pointed out in the first
22　proposal, but also the fact that with -- with us
23　using SAI boxes out in the field, 25 to 50 pair of
24　cables, each one of these cards can support two to
25　four end users. So, what happens is, is that if you

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1 fill up an entire channel bank with these cards, you
2 exhaust capacity for that particular SAI box. So,
3 by the CLECs owning the card, we can only put a
4 certain number of cards out there in the RT, so if
5 you -- if you own every single card, you may only
6 have one end user that's served out of that remote
7 terminal but you have to buy a card that can support
8 either two to four end users. So, it becomes very
9 impractical for someone to have to purchase an
10 entire -- for someone to actually have to purchase
11 an entire card and then logistically for us to place
12 it out there and coordinate it with all of our SAI
13 boxes and end user loops.
14   So, the second proposal we considered was
15 Proposal No. 2 on here which talks about plug
16 sharing or pooling. Under this proposal we had
17 suggested that the CLECs actually own the card, ship
18 the card to the telephone company and that we would
19 place them -- we're going to fill up the RTs with
20 these cards out of a common pool and that would
21 allow us to allocate to the CLECs as many ports as
22 they provide to us on a card. So, for instance, if
23 you provided us what we call a dual port card that
24 serves two end users and you shipped us 50 cards, we
25 might be able to allocate you a hundred ports in all

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1 of our various remote terminals under this
2 particular proposal and that would alleviate the
3 problem of having to tie in one particular card with
4 each CLEC copper loop. In other words, you would
5 have access to multiple remote terminals for each
6 one of your ports, not at the card level. So, this
7 is what we were calling an equivalent plug.
8   The third proposal that we've considered
9 is the final one and the one that we're recommending
10 for this particular scenario, and that is that the
11 telephone company own the ADLU card and actually
12 provide the functionality of that card to the CLECs
13 as part of the UNE product that I'm developing. Of
14 course, that would require us to get a
15 interpretation from the FCC to allow the telephone
16 company to own this card.
17   This slide here very quickly was put
18 together to kind of list what we consider to be the
19 pros and cons of the first proposal meaning the CLEC
20 owning the card and the TELCO actually placing it.
21 On a positive side, we considered the fact that the
22 CLEC would actually control capacity and utilization
23 for the cards. Being that you would own the cards,
24 you would have the ability to control capacity and
25 utilization. CLECs would have the capability to

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1 develop new features for their cards. And of course
2 you would have nondiscriminatory access via
3 unbundled network elements to your -- to those cards
4 that were placed in the RTs.
5   From the negative side, again I talked
6 about the fact that there would be stranded
7 capacity, four ports per card in the future as they
8 are developed, and you may on the outset be only
9 using one port. A second negative would be the fact
10 that this would limit ADSL availabilities in remote
11 terminal due to capacity issues. I think the best
12 way to explain that is the fact that if we put a
13 channel bank out there that serves, maybe we can put
14 28 cards in that channel bank, if a particular
15 CLEC -- if CLEC A comes to us and puts a card in
16 there, they've just taken up 1/28th of the capacity
17 in that remote terminal, in that channel bank.
18   If CLEC B comes to us and puts a card in
19 there, they're taking up another 1/28th of that
20 capacity. It's not a very efficient way to allocate
21 capacity on these digital loop carrier systems
22 because if CLEC A comes to us and is serving one end
23 user, they've still taken up 1/28th of the capacity
24 in that channel bank. Whereas if we go to the port
25 level, you would be only taking up one port. With

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1 there being four ports per card or two ports per
2 card, that might be 1/56th or 1/112th of the
3 capacity. So, from our perspective it's not a very
4 efficient way to actually allocate capacity in the
5 remote terminals to actually have the CLECs own the
6 cards and tie them in.
7   The third negative that we looked at was
8 the fact that the CLEC would obviously be required
9 to invest in the ADLU cards. You'd have to purchase
10 the cards and somehow ship them to us. The fourth
11 one was some tax implications in maintaining
12 inventory of cards to ensure availability. An
13 additional negative that we saw was that this would
14 require vendor contracts. And of course the last
15 one and probably the most obvious issue would be the
16 fact that CLEC ownership would lead to a very
17 complex and expensive provisioning process for both
18 the telephone company and for our customers that
19 would clearly lead to a higher cost.
20   The second proposal that we are
21 considering was the ADSU -- ADSL pooling arrangement
22 or plug sharing. Again, some of the positives of
23 this particular proposal are that it would allow
24 nondiscriminatory access via UNE. The CLECs would
25 be built for ports on the cards as opposed to the

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1   actual cards themselves. It would mitigate some of
2   the stranded capacity impacts. It would allow CLECs
3   to forecast their own demand, and we'd place the
4   cards for you. It would still allow the ability for
5   CLECs to develop new features on the cards, and it
6   would maximize space by allocating ports as compared
7   to slots.
8   Some of the negatives for this particular
9   proposal, again, they're very similar to the first
10 proposal I just discussed, that being the fact that
11 there will be a cost for creating an administrative
12 process for managing the pool. They'll still be
13 billing for every port that's used. There are still
14 some tax and investment implications that will be
15 translated into cost. There are issues in regards
16 to the CLEC actually shipping the cards to us, the
17 telephone company confirming receipt of the cards
18 and somehow keeping track and inventorying the ports
19 and the cards.
20   And again, we have all the other issues
21 related to the provisioning process itself that will
22 lead to higher costs, longer intervals for
23 installation of service. So, there's quite a few
24 issues resolved to the first two proposals. So,
25 this leads me to the third proposal that was put

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1   together, and that is the fact of the TELCO actually
2   owning the ADLU card. And again, this is the --
3   this would require us to get an interpretation from
4   the FCC to allow us to own the card.
5   This simplifies the process quite a bit
6   for our purposes and also for yourselves in our
7   opinion. Again, it provides nondiscriminatory
8   access via unbundled elements. The card itself will
9   be included in the UNEs that I'm going to present
10 later on in this presentation. It would still allow
11 CLECs to forecast demand. It mitigates all of our
12 capacity concerns. We would still allow the CLECs
13 to develop new features and cards, and we would
14 actually put any type of new card as it becomes
15 available in the remote terminal on a request.
16 Wouldn't necessarily require a vendor contract.
17 Would mitigate concerns over investment expense. It
18 would allow the telephone company and also for the
19 CLECs to have a business-as-usual approach to
20 developing the process. We wouldn't have to
21 necessarily develop brand-new provisioning processes
22 to put the cards out there.
23   The next slide just talks about some of
24 the capabilities that the CLECs will have under the
25 third proposal. The first one is the fact that the

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1   SBC TELCOs will unbundle access the network elements
2   as defined by the DLE infrastructure which we will
3   do regardless of this situation, but this will
4   relieve space limitation problems of having to
5   collocate in remote terminals. CLECs will continue
6   to have the option of collocation as a means of
7   access to the unbundled elements or utilize some
8   form of facility to gain access to the elements
9   associated with DLE.
10   The third option is the fact that the
11 CLECs will continue to have the option to collate
12 DSL equipment in new and existing cabinets, CVs and
13 huts, that is if space capacity is available. CLECs
14 will continue to have the option to develop new
15 plug-ins with vendors if technically compatible to
16 the SBC equipment over the infrastructure. And it
17 would allow everyone to avoid administrative costs
18 associated with plug or port ownership.
19   So, that pretty much outlines the
20 infrastructure itself and the actual issues
21 associated with the reasons why SBC has requested
22 interpretation of the merger conditions by the FCC.
23   I think I'm going to take about ten, about
24 five minutes if that's okay at this point and then
25 we'll reconvene about -- we'll reconvene in five or

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1   ten minutes. Thank you.
2   (A recess was taken.)
3   MR. BOYER: What I want to do at this
4   point in time is now that I have discussed the
5   infrastructure very quickly, I do know that
6   everybody probably has quite a few questions related
7   to that, all those topics that we just talked about,
8   the merger condition issues and also the
9   infrastructure deployment. I would like to just --
10 I've had several questions during the break, just
11 reiterate the fact that as soon as I'm done
12 presenting the presentation, we're going to open
13 this up to a question and answer session and we will
14 address any questions you have at this time. I
15 would just like to make sure that all of the
16 questions are addressed for everybody in the
17 audience because we'll probably have several
18 questions from -- quite a few of the same questions
19 from different individuals.
20   So, at this point I'm going to talk about
21 the actually unbundling plan. And for those of you
22 on the call I'm on Slide No. 20. And this is just
23 our plan for how we're going to unbundle -- the
24 actual product itself. That is what we're going to
25 be offering to the CLEC community as access to the

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1 infrastructure. And I would like to point out that
2 the first assumption I'm going to make here is that
3 the product outline in this presentation makes the
4 assumption that the TELCO's going to own the ADLU
5 card. So, based upon that assumption, this is the
6 product that we are developing.
7   The first thing is, is that we're going to
8 offer a product from two different scenarios, first
9 one being that we will offer a set of UNEs to a
10 line-shared application from the RT to the end
11 user. The second one will be a data only
12 nonline-shared facility. What I'm getting at there
13 is, is for the copper portion of the infrastructure,
14 the actual physical copper loop from the remote
15 terminal to the customer location, we will allow
16 either line sharing over the copper facility to
17 share the voice or we will allow a data-only
18 application, a direct dedicated data loop for DSL
19 purposes.
20   In regards to the DSL products that we're
21 going to support, there are currently defined in the
22 DSL appendices, we will support PSD Mask No. 1
23 through 7 wherein it's technically feasible over the
24 actual data-only loop. We will support ADSL and the
25 line-shared application at this point in time. And

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1 as we know, that is contingent to change in the
2 future.
3   MS. SMITH: I'm sorry. Could you
4 restate that again?
5   MR. BOYER: For line sharing we will
6 support PSD Mask No. 5 ADSL. For the dedicated data
7 loop, you will have the ability to offer any of the
8 currently-offered services that are outlined in the
9 DSL appendix today assuming that that service is
10 feasible with the actual card that's deployed in the
11 digital loop carrier. At this point in time the
12 ADLU cards for the Litespan, they have an ADSL card
13 that's been developed. The vendor's working on
14 additional cards for other technologies. We will
15 support any PSD mask as the card becomes available,
16 as the physical -- as the vendor provides that
17 service.
18   What I'm going to put up here is
19 Slide 21. This is a diagram that shows the
20 unbundled elements all interrelated to one another.
21 It's a fairly technical diagram, and I'm going to
22 talk through it. And again, if you have any
23 questions after I briefly discuss this, I would
24 reserve those until the question and answer
25 session. I will put the pictures back up on the

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1 board at that time.
2   In this diagram starting from the -- from
3 your right where it's a box labeled end user, again
4 we have the actual copper loop that goes from the
5 end user to the SAC or the SAI. That loop is
6 cross-connected there to a physical copper feeder
7 facility that is integrated to the Litespan 2000
8 equipment in the remote terminal. The large dot
9 that you see that's labeled DLC port termination,
10 that is physically a termination or a port on one of
11 the cards, one of the ADLU cards in the Litespan.
12 The actual signal, the actual voice and data signal
13 over that copper facility terminates in that ADLU
14 port which then splits the voice and data signals.
15 And once again, I'm talking about the data signal is
16 routed over the OC-3c dedicated for data back into
17 the central office, and the voice signal is also
18 transmitted over a dedicated facility for voice into
19 the central office.
20   Once we reach the central office which
21 is -- if you look at the box that's labeled FDF, the
22 fiber distribution frame, the data signal is going
23 to be integrated into this OCD device which we
24 talked about previously.
25   In the OCD the actual signal will be

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1 cross-connected to a CLEC port. Again, that's on
2 the outbound side which is labeled the OCD port
3 termination. So, at this point we basically have
4 three different unbundled elements in the way we're
5 developing this product. You have the actual what
6 we are calling UNE No. 1 which if you look at your
7 far right it's labeled DLE-ADSL UNE Sub-Loop. That
8 is just the physical copper facility from the RT to
9 the end user. That's the first UNE.
10   The second UNE that we're developing,
11 we're referring to it as a DLE-ADSL UNE Feeder
12 Loop. That is what we're calling a feeder facility
13 that will go from the FDF or from the OCD basically
14 all the way out to the point where you pick up the
15 sub-loop. And again, you pick up the sub-loop
16 physically in the SAC. So, the feeder will consist
17 of the actual use of the 0C-3 dedicated facility for
18 data, it will consist of a port in the Litespan
19 equipment or whatever DLC equipment is deployed in
20 the field, and it will consist of the actual feeder
21 piece that goes out to the SAI. So, that's the
22 second unbundled element, what we're calling the
23 DLE-ADSL Feeder Loop.
24   The third element that we're developing is
25 the OCD port. Again, that's just the physical port

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1 on the OCD in the central office. And again, that
2 port can be extended to either a DSX location or to
3 collocation for you to pick up the actual signal and
4 route it to your -- to an ATM network or cloud.
5   And again, I'll reserve questions on this
6 diagram or any other diagrams until after this
7 presentation.
8   This slide just gives a numerical listing
9 of what we're going to offer. In the line-sharing
10 environment, we're referring to the actual copper
11 portion of the loop as the HFPSL. I know that a lot
12 of you are working on the line-sharing offering
13 which is referred to as the HFPL or the high
14 frequently portion of the loop. In this situation
15 we're just substituting an S to represent the high
16 frequency portion of the sub-loop. We will offer
17 that.
18   We will offer in addition to that the
19 feeder, the DLE feeder back to the CO, and then we
20 will have the port termination at the OC-3 or DS3
21 level. There'll be three cross-connects associated
22 with this depending upon the configuration that's
23 deployed. You will have the DLE-ADSL cross-connect
24 which is just physically the cross-connect that's
25 going to be made in the SAI. That's the copper

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1 cross-connect. You will have depending upon the
2 configuration that's deployed either the OCD
3 cross-connect to collocation or the OCD
4 cross-connect to the DSX location.
5   And those would all be available under
6 line sharing. In the data-only environment it's
7 going to be basically the exact same offerings
8 except for you're going to substitute obviously a
9 data-only DSL sub-loop in place of a line share
10 loop. That would be the only difference.
11   On the next slide I tried to illustrate
12 some of the different scenarios that you might see.
13 This is the diagram that has been discussed quite a
14 bit. Really what this is intended to show is the
15 fact that depending upon the configuration that's
16 out there the CLEC would be able to deploy its own
17 equipment, possibly even deploy its own remote
18 terminal or adjacent remote terminal location and
19 integrate it into our SAI boxes out to the end
20 user.
21   So, this is just intended to kind of
22 illustrate some of the different scenarios that
23 we've seen that we've considered in developing this
24 product. I'm not going to go through this diagram
25 in detail because it gets pretty technical in

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1 talking about the different scenarios but, again,
2 I'll reserve any questions until after this
3 meeting.
4   Now I'm going to talk a little bit about
5 the service order flow and the business requirements
6 for these products. What we've done is we've tried
7 to separate these products into two different phases
8 or two different types of offerings. The first
9 thing that we are introducing is what we're calling
10 infrastructure elements. Those elements would
11 consist of the port, the unbundled transport or
12 whatever transport device you purchase to get to
13 that port and the associated cross-connects. The
14 reason we're calling it infrastructure is that for
15 each one of those ports on the OCD you could
16 conceivably have hundreds to thousands of end user
17 DSL loops run through that one port.
18   So, when you go into a central office to
19 provide a DSL application under this infrastructure,
20 you would purchase a port based upon the expected
21 demand that you're going to have out of that
22 particular office. So, what we would do is, if you
23 wanted to -- if you bought a DS3 port, we would
24 allocate 1,000 is the maximum number of end user
25 loops we can put through a DS3 port on the OCD. So,

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1 we're calling it infrastructure because it's not a
2 one-to-one ratio between the port itself and the end
3 user. Again, with the DS3 port you could put up to
4 a thousand end users through that one port on the
5 OCD. If you buy an OC-3 port, the technical
6 capability's up to 6000 end users through that one
7 port, so there's quite a bit of capacity through
8 those ports. So, this really is an infrastructure
9 element.
10   In addition to that, the transport itself
11 is going to have to obviously extend that port to
12 wherever your ATM cloud is located at, so there's --
13 those elements really need to be built out prior to
14 actually providing service to end users. So, we've
15 looked at that from the perspective as being
16 infrastructure which is why it's called -- Step 1
17 would be called an infrastructure build. Now, those
18 physical elements are going to be necessary as I
19 indicated to be provisioned prior to -- prior to a
20 CLEC placing orders for end user loops.
21   In regard to an order flow for these
22 elements, we're going to put them on one service
23 order, an ASR, access service request. On that ASR
24 you will be able to order an OCD port and whatever
25 cross-connect that is necessary to extend that

1 port. That will either be a cross-connect to the
2 DSX location or a physical cross-connect to
3 collocation, and that will be put together on one
4 access service request. From your collocation cage
5 if you want to extend or if you want to transport
6 the signal to an adjacent location, you can purchase
7 the existing unbundled dedicated transport product,
8 you could purchase an access product, whatever type
9 of facility you want to purchase to transport that
10 facility from the collocates to your ATM cloud. The
11 same would apply for the DSX location.
12   In addition to the actual ASR that will
13 have to be submitted, CLECs will be required to
14 submit what we're referring to as a customer
15 information form. That form is information that
16 we're going to need on a port level to actually
17 build translations into our equipment in the central
18 office. And I don't have any specifics on the form
19 itself. It's very brief, but I don't have a copy --
20 I do not have a copy of the form at this time. It's
21 still under development.
22   On the next slide I talk a little bit
23 about the end user specific order. This is based
24 upon the assumption that the CLEC has already built
25 out its infrastructure elements that I just

1 outlined. Once the infrastructure's in place, we
2 work off the assumption that end user orders will be
3 placed. Again, the end user order consists of two
4 elements. It's going to consist of the DLE feeder
5 piece and the sub-loop piece. The end user order is
6 going to be ordered via a local service request on
7 an LSR. So, there will be one LSR for an end user's
8 sub-loop and feeder, and that should be on a
9 one-to-one ratio per customer.
10   In addition to the LSR, this gets a little
11 bit complex, but the way this is going to work is,
12 is that you have to provision quite a few parameters
13 in the Litespan equipment if we're using Litespan
14 2000. There's quite a few different elements that
15 need to be translated and provisioned inside that
16 device. So, what's going to happen is, is that you
17 need to put -- you need to update the Litespan with
18 such information as upstream speed that you want to
19 offer, downstream speed, aggregate power. There's
20 quite a few things that need to be built into the
21 Litespan.
22   So what -- the direction that we're going
23 in is that we are going to allow CLECs to actually
24 build a profile of services that they want to offer
25 that are technically compatible with the Litespan,

1 and the way this is going to happen is, is we're
2 developing a new system that we're referring to as
3 SOLID. And this system is going to -- we're going
4 to develop an interface for the CLECs to actually go
5 into SOLID and build a profile, a profile outlining
6 the various services that they want to offer that
7 are compatible with Litespan. So, what will happen
8 is, is that on the LSR we are going to put a code
9 set on the LSR and when the LSR is initiated by the
10 CLEC, our proposal is for that to flow through. And
11 our system, the SOLID system that we're developing,
12 will recognize that number. It will be a numeric
13 number and it will build that particular profile.
14 So, we will allow CLECs to build multiple profiles
15 over this infrastructure.
16   So, if you wanted to offer for instance an
17 ADSL service, you could build a profile that matched
18 ADSL. If you wanted to build a service that
19 supported SDSL as it becomes technically available
20 within the Litespan, you could build a profile that
21 supports SDSL. It's a pretty flexible tool that
22 we're trying to develop and, again, this system is
23 not available today. It's something that we're
24 working very quickly trying to put together. And as
25 it becomes available and as interest piques in this

1 product, we'll get into -- I'll be willing to get
2 into more detail with folks as they want to come on
3 line with us.
4   In regards to loop qualification, loop
5 qualification is actually going to be used at the
6 triggering event for this service. The way we
7 envision this happening is that as you decide that
8 you want to offer a DSL service to an end user, you
9 will do a preorder loop qual. When the preorder
10 loop qual is done, it will return back to the
11 initiator the indication that the loop is too long
12 for you to provide DSL service. But in that loop
13 qual process, you will be alerted to the fact that
14 there is an RT available out in the field that you
15 can use to provide DSL.
16   So, that is really what we consider to be
17 the triggering event to ordering end user loop is
18 the loop qualification.
19   The next slide, Slide No. 27, it's very
20 hard to see on the screen, but it should be on
21 paper, just outlines what I just talked about in
22 terms of a process. This is a very high level
23 process that we're trying to put together for the
24 ordering of this service.
25   The only thing I'd really like to point to

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1 your attention on this is the actual -- in the
2 middle of the page, there's a list that talks about
3 the SOLID system and the profiles that are being put
4 together. The technical limitation is that there's
5 really an infinite number of profiles that could be
6 built depending upon the actual values that you want
7 to program within the Litespan.
8   But the next section underneath that lists
9 the actual fields that need to be programmed in the
10 Litespan and what it talks about is the downstream
11 minimum rate, upstream maximum rate. There's quite
12 a few different elements that need to be programmed
13 to build a profile. And there's really about --
14 there's so many different integer values for each
15 one of those inputs. Like, for instance, when I
16 speak about downstream maximum rate, it basically
17 could go from 640 kilobits to 8,192 kilobits in
18 increments of 32.
19   So, in order for us to develop a product
20 that is adaptable and flexible enough for all the
21 different individuals that want to use this service,
22 the only thing we could do is let people actually go
23 in and build their own service profiles because you
24 could think of the number of values that you could
25 possibly have between 640 and 8,000 in increments of

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1 32. It's virtually impossible for us to sit there
2 and predict the different combinations of all these
3 values that people would want to offer in the long
4 term. So, the idea behind this system was to make
5 it a flexible product offering for the long term and
6 not necessarily just for the short -- short term.
7   Slide 28 talks about the rate structure.
8 We do not have rates as of this time, but this is
9 the way we are approaching the actual elements that
10 will be developed. This matches the
11 Southwestern Bell rate structure; it does not match
12 the OANAD rate structure. I'm not going to get into
13 detail on this, but this is the rate structure that
14 we're proposing right now. I will take questions on
15 that later if there's any questions.
16   And the last slide talks about the
17 business requirements and product availability
18 date. We are working on business requirements this
19 week. We expect those to be available by the end of
20 this week or the beginning of next. The product
21 availability date is expected to be available in
22 late April or early May. That's when we expect all
23 the actual product development work to be
24 completed.
25   Contract language, there was some draft

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1 contract language that was provided to the FCC in
2 conjunction with a request for interpretation of
3 merger conditions. I would like to comment that
4 anything that's in that contract language was draft
5 as of that time which was about three weeks ago.
6 The product itself has fundamentally changed since
7 then, so if there's any questions related to that
8 contract language, I would like to address them this
9 afternoon if you do have any questions on that
10 issue.
11   In regards to network disclosures, there
12 are some network disclosures related to PRONTO that
13 are available at the web site that's indicated
14 here. And that is actually -- James, is that a list
15 of the available -- where it's being deployed?
16   MR. KEOWN: Some of the RTs. The
17 first batch of RTs, RTs are being deployed.
18   MR. BOYER: There's a list of the
19 actual remote terminals where we're actually
20 deploying PRONTO, preliminary list available at that
21 web site. So, that pretty much wraps up what I was
22 going to present. Rod wants to make a few comments
23 real quick, and then we'll probably open this up for
24 a Q and A session.
25   MR. CRUZ: I think at this time I

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1 would like to just go ahead and open up the floor
2 for questions, and we could -- if you just would be
3 kind enough to once again state your name and the
4 company you're with and then if you want to
5 reference a certain architecture diagram that Chris
6 has presented, we could also do that. In addition,
7 I'd like to introduce a couple of other SBC
8 individuals that are here to assist us in answering
9 the questions.
10   Chris Boyer, as I stated earlier in the
11 introduction, is the product manager for the
12 broadband UNE, so he can really address and speak to
13 specific product policies and positions, et-cetera,
14 and he could really talk some detail. But in
15 addition to that we have James Keown in the front
16 row and Marsha Fischer also with SBC from the
17 network organization that can address some specific
18 network issues. And then also from the network
19 regulatory organization is Allan Samson that can
20 also help address any of your questions or
21 concerns.
22   I guess really I want to make just one
23 brief comment. I think the quandary that we have in
24 front of us with the FCC is, is really you've got
25 this UNE that the TELCO owns and in the middle of it

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1 there's things that we can't own. So, it just makes
2 it very cumbersome and problematic when you look at
3 a provisioning flow, when you look at systems work
4 and how you actually flow orders through to order
5 this product. You know, if it was all owned by the
6 TELCO, it just makes it easier to do some things and
7 give us some flexibility and latitude. I think it
8 benefits both parties. And obviously I think when
9 you look at a high level, that's really the issue is
10 you've got this UNE on the end, from the middle
11 there's a couple of things that don't fit.
12   So, you know, Chris obviously can get into
13 a lot more level detailed discussion if that's
14 something that's on your mind you want to flush out
15 and expand on. That's really the essence of the
16 issue, and I think that's where we're at as far as
17 we have done countless hours of meetings and
18 thoughts and think tanks on how to break that code
19 to make it -- make this thing flow, and we really
20 just haven't reached a conclusion.
21   So, what I'd propose is I'd like to open
22 the floor for questions, as I stated earlier, and
23 then I think as we move forward over the next couple
24 of weeks, I'm just really looking forward to getting
25 into negotiations with you guys and either hearing

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1 your opinions or suggestions on how we do that
2 together because we haven't been able to find a
3 solution to that -- to that -- resolve that issue.
4 So, at this time I guess I would just like to go
5 ahead and open up the floor. If you could just
6 maybe state your name again and the company, we'll
7 start fielding your questions.
8   MS. THOMAS: Actually I have many
9 more now. I am Sharon Thomas with Advanced Telecom
10 Group.
11   MR. CRUZ: I'm sorry. Could you
12 speak up a little?
13   MS. THOMAS: Sharon Thomas with
14 Advanced Telecom Group. The first question I have
15 that you asked me to reask so everyone could hear,
16 you had mentioned there were two types of technology
17 or equipment that would go in the remote terminals,
18 and the first one I think you said was the ADLU, the
19 Litespan 2000, 2012 card, and I didn't catch the
20 other one and maybe you can explain what that is.
21   MR. CRUZ: Chris.
22   MR. BOYER: I'll take that. For the
23 folks on the conference call, the question was asked
24 in regards to I had mentioned earlier that there
25 were two types of technologies that we were

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1 deploying in conjunction with this infrastructure.
2 Those two types of technology are the Litespan 2000
3 which is an Alcatel product or the UMC 1000 which is
4 a product that's being developed I believe by AFC,
5 AFC.
6   MR. KEOWN: Yes.
7   MR. BOYER: We have not -- the AFC
8 product, the UMC 1000, is really being deployed in
9 some of the actual more -- I believe it's in the
10 more rural areas; isn't that correct?
11   MR. KEOWN: Smaller locations.
12   MR. BOYER: Smaller locations. We
13 have not completely considered that product yet, but
14 the assumption of this presentation is based mostly
15 upon the Litespan device.
16   MR. CRUZ: Could you flush out the
17 difference between the Litespan 2000 and 2012 just
18 for the folks that may not -- I just think -- I
19 think it's a -- go ahead, James, if you want to take
20 that.
21   MR. BOYER: Let James take that. The
22 2012 is different.
23   MR. KEOWN: The basic difference
24 between the Litespan 2000 and 2012 is the Litespan
25 2000 has one OC-3 that can transmit the voice signal

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1 back and one OC-3c pipe back for the data. The
2 Litespan 2012, the major difference is the sound of
3 the pipe. It's an OC-12 pipe that can haul voice
4 and data back. That's basically the difference.
5 And the benefits of the bandwidth is to drop all --
6 if you had DS3s you want to drop off somewhere, we
7 can do that.
8   MR. CRUZ: And, James, is it true
9 that the 2012 card is a quad card and the 2000 is
10 only a dual card, or is that not correct?
11   MR. KEOWN: No.
12   MR. CRUZ: Okay. Explain that.
13   MR. KEOWN: The basic ADLU card
14 whether it's a combo card or quad card would fit in
15 a 2000 or 2012.
16   MR. CRUZ: Thank you.
17   MR. KEOWN: It's both the same
18 product.
19   MR. CRUZ: Do you have a follow-up?
20   MS. THOMAS: Yes, I do. I guess
21 looking at one of your slides where you indicated
22 that -- let me find it for you. The infrastructure
23 that you've described, you basically indicated that
24 it would either be used with line sharing or data
25 only. Now, how does a CLEC that is an integrated

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1 service provider get a loop to provide both voice
2 and data under this architecture that's going
3 through the remote terminal?
4   MR. CRUZ: Let's look at the slide.
5   MR. BOYER: 20.
6   MR. CRUZ: I think it's Slide 20.
7 Give us one second. Thinking through this. You
8 know, I think it's a good suggestion. I don't think
9 it's something we've contemplated, so I think we'll
10 have to go back to the drawing board and address
11 that.
12   MS. THOMAS: That's pretty scary.
13 There's a lot of us out here. I mean, I think
14 you -- I sense from your letters to the FCC that you
15 had meetings with Covad and North Point and Rhythms
16 and you didn't have meetings with anyone that's an
17 integrated service provider and that's pretty scary
18 for us.
19   MR. CRUZ: The fact that we had the
20 meetings or the fact we haven't contemplated the
21 scenario?
22   MS. THOMAS: No, this does not
23 contemplate I don't think how we would be able to
24 provide service from any of these remote terminals.
25   MR. SAMSON: Can I frame that? Or

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1 let me ask the question that for loops let's say
2 less than 18,000 feet or whatever the magic number
3 is, you could provide voice and data over
4 traditional copper pair, so is your question to the
5 extent that there's a loop that's maybe 25,000 feet
6 long and you don't want to put a DSLAM at the RT,
7 how could an integrated provider provide both voice
8 and data over some sort of arrangement like this,
9 get the voice stream and the data stream? Is that a
10 good framing of it a little bit?
11   MS. THOMAS: I think that's correct.
12 And I don't know, one of my other questions is, you
13 know, sort of where are you putting these remotes
14 and is it only for loops beyond 18,000 feet? I've
15 heard that perhaps you're putting them a little
16 closer to the wire centers which would make, you
17 know, copper loops even less accessible. In other
18 words, we'd have to go through remotes even for not
19 that long of loops. But I think --
20   MR. CRUZ: I think maybe Marsha may
21 have a comment.
22   MS. FISCHER: The second one is
23 true. I mean, the whole goal is to push out DLC,
24 but we do have areas that are served by like an
25 existing digital loop carrier system that may be

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1 less than 18 kilofeet, okay. On those we'd leave
2 those there for the POTS. The DSL service would
3 still be providing this kind of an architecture,
4 okay. So, those copper loops that are in the 17 and
5 a half and below range, you still use a CO-based
6 DSLAM for that, okay. So, I think does that answer
7 that one for you?
8   MS. THOMAS: It helps that.
9   MS. FISCHER: Okay.
10   MS. THOMAS: I mean, obviously we're
11 also concerned about being able to compete for the
12 kind of loops that SBC ASI is trying to compete for.
13   MS. FISCHER: Sharon, let me take a
14 crack at your first question, see if I'm clear on
15 it. Can we go to Slide 23, please? Sharon, by
16 integrated provider, talking about you provide the
17 voice and the POTS.
18   MR. SAMSON: Or data.
19   MR. CRUZ: Data and voice.
20   MS. FISCHER: I'm sorry, so sorry.
21 POTS and the data.
22   MS. THOMAS: POTS and the data.
23   MS. FISCHER: There's a couple of
24 ways. This drawing, see, No. 1, take Path 1 from
25 the end user back, it's intended to show that you

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1 can still get the same 8 DB voice UNE, okay, with
2 this technology and it works the same way. The POTS
3 can be groomed, sent to your voice switch wherever
4 that may be. Now, if for whatever reason in your
5 business plans it makes sense to place your own
6 equipment out there, and you could do this in a
7 public right-of-way environment or you could acquire
8 whatever land you may need, you could place that
9 equipment, you'd have to build access back to that
10 SAI, okay. And that's where you would get the
11 line-shared loop where you could put your POTS and
12 your data.
13   MS. THOMAS: Yeah, I mean, we
14 generally aren't going to be wanting to place -- I
15 mean, we may in some limited instances, but
16 generally we'd still like to ride the ILEC plan out
17 to, you know, the whole length of the CO to the --
18   MS. FISCHER: And that's -- that,
19 again, our thought was you still had the 8 DB UNE
20 coming back in and then you could use the broadband
21 UNE product to get the voice and the data.
22   MS. THOMAS: And I guess I'm just
23 confused because it seems to me the way you have
24 this, in other words, we could get a loop that goes
25 following Path 1 all the way back to where it looks

1 like it terminates in this SONET common control
2 area. You're saying we would get that loop and at
3 that point we would be able to split the voice and
4 the data or --
5   MS. FISCHER: No, the data's already
6 left at that point. The data is riding back in the
7 OC-3c signal.
8   MS. THOMAS: So, we have to somehow
9 use both of those. I'm not an engineer, I admit,
10 and so I'm a little confused.
11   MR. KEOWN: Well, because of the way
12 this technologist developed the design, what you're
13 trying to do is already being done basically in the
14 broadband UNE pipe. So, we can sell you a UNE that
15 carries voice and a UNE that carries data, so you'll
16 end up with two UNEs is essentially what you have.
17 But the technology won't allow us to haul this back
18 and combine it back for you into a pipe that goes
19 into a copper facility back to your whatever device
20 you service.
21   MS. THOMAS: Can I make sure that I
22 have that straight now? So, if you're an integrated
23 provider they can purchase from SBC a UNE to provide
24 the voice and a UNE to provide the data? That's
25 your statement.

1   MR. KEOWN: Well, that is not a
2 product that's being offered at this time. That
3 product's not being offered at this time.
4   UNIDENTIFIED SPEAKER: I'm sorry. We
5 couldn't hear that.
6   UNIDENTIFIED SPEAKER: Can y'all
7 repeat the question, please?
8   MR. KEOWN: The question was, can she
9 buy a POTS UNE and a data UNE over this
10 infrastructure; is that correct? And I'm saying you
11 can buy an 8 DB UNE LUNE -- UNE LUNE -- we are in a
12 little trouble here. You can buy an 8 DB UNE loop
13 over this infrastructure and everyone is happy.
14 Works the same way as any other DLC that we have out
15 in the field today, buy the UNE loop.
16   MR. CRUZ: You have a comment.
17   MR. SAMSON: Well, I think, James,
18 just to add what you're saying, you have to -- and I
19 think your comment's good and we need to take a look
20 at that, so -- and we've kind of said we haven't
21 flushed that out as well, but if you think about
22 where we've come from, you know, can we provide an
23 8 DB analog loop, yes, we can; can we provide a
24 stand-alone DSL UNE loop, yes, we can; can we
25 provide a line-shared, which is the latest

1 requirement that's been placed upon us, a
2 line-shared UNE loop where SBC is the traditional
3 TELCO voice provider and the data CLEC is the data
4 provider; yes, we can. Those are the three
5 requirements that we perceive that are on us and
6 with this proposal, that's how we would meet those
7 three requirements.
8   I think what you're raising, and I don't
9 want to characterize this any way pro or con, but
10 let me just kind of put it in my words. What you're
11 raising is beyond our obligation to provide an
12 analog line, a digital line and a line-shared line
13 where we're the voice provider. It sounds to me
14 like you're saying could you provide a line-shared
15 line where you're not the voice provider but that I
16 am both the voice and the data provider. And while
17 you -- which isn't really a line-shared line in the
18 respect that two different companies are using it
19 but it's a line that you want to use for both those
20 applications. And while it's a good question, what
21 hasn't been flushed out is that a requirement, can
22 we do it, should we do it or whatever, and I think
23 what we've learned today from this meeting already
24 is that we probably need to think through that.
25   But we can give you a DSL loop with this

1 architecture which we're required to do, we can give
2 you an analog loop with this architecture which
3 we're required to do and we can do line sharing
4 where we're the voice provider and you're the data
5 provider. And so for sure those are the things that
6 are safe that can be provided.
7   MS. TAFF-RICE: May I just follow up
8 on that then? I'm Anita Taff-Rice with Rhythms.
9 What you're saying is that you just don't have that
10 offering? Are you saying there's a technical reason
11 why or it's just beyond the requirements of the
12 merger conditions order?
13   MR. SAMSON: Let me think through
14 your question there. What we're saying is what
15 we've presented to you today, that isn't an offering
16 here that we're presenting today. What we were
17 trying to address with this architecture is the
18 line-sharing requirement and the DSL loop
19 requirement that we have, you know, and the issues
20 surrounding collocating a DSLAM at the RT.
21   MS. TAFF-RICE: So, let me try to
22 reiterate the question then. I think I wasn't clear
23 enough.
24   MR. SAMSON: Okay.
25   MS. TAFF-RICE: This offering that we

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1 were just describing that Mr. Keown said is not
2 available today, that would be where a CLEC would be
3 the integrated voice and data provider, and I know
4 you don't consider that line sharing because it's
5 the same company, but that offering is what I'm
6 talking about.
7   MR. SAMSON: Okay.
8   MS. TAFF-RICE: That is beyond the
9 scope of what you perceive as being your
10 requirements under the merger conditions order? Did
11 I understand that right?
12   MR. SAMSON: No, that's not what I
13 said. Again, I was trying to say I don't want to
14 characterize it. There may be an opening question,
15 is there a requirement to provide something like
16 that, and I'm not sure that I know the answer to
17 that question. But what I am addressing are the
18 things --
19   MS. TAFF-RICE: Okay. Assuming the
20 answer is yes, is there a technical reason why you
21 can't provide that today?
22   MR. SAMSON: James, I don't know -- I
23 wouldn't feel like I'm the most knowledgeable guy to
24 address whether there's a technical reason or not.
25   MR. KEOWN: Do it for yourselves. Do

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1 it -- from a technical point of view, if you can do
2 it for yourself from the voice side and somebody
3 else from the data side, then technically you can do
4 it for, you know, a CLEC to do the voice as well.
5   MR. SAMSON: Yeah, and maybe we need
6 to have some additional thinking around the
7 technical implications. We weren't really coming
8 with that in mind, so we don't want to make an
9 off-the-hand comment in that regard.
10   MR. CRUZ: And I think the point is
11 we really haven't thought through it, which is
12 Allan's initial reaction to this, and I would concur
13 that that was not something we had contemplated in
14 including in this current product offering we've
15 described today, but it does give us some good
16 feedback to go through and think through what our
17 position on that will be. So, I don't want to come
18 out and say we will not do it or we will do it or
19 commit, make comments whether it's technically
20 feasible or not or what our position is yet because
21 we just haven't had time to flush it out, so at
22 least --
23   MS. THOMAS: Well, we'll be happy to
24 work with you.
25   MR. CRUZ: I'll be happy to work with

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1 you as well.
2   MR. SAMSON: A guy over here's been
3 very patient.
4   MR. CRUZ: One moment. Sharon,
5 had -- I'm not sure whether that wraps up all your
6 questions.
7   MS. THOMAS: I had a few more but I
8 won't hog the floor here, so --
9   MR. CRUZ: Sir?
10   MR. RUDOLPH: Lee Rudolph,
11 Fort Bend Telephone. For us as CLECs to kind of
12 support this kind of scenario, those of us that are
13 integrated providers must do both voice and data.
14 And so we would be looking for that third
15 alternative as one of the three choices versus one
16 where you're the voice side and we're the data side
17 only. So, I really would encourage you to take a
18 strong look at that.
19   MR. CRUZ: Thanks, Lee, for that
20 feedback. A hand's going up. I know this
21 gentleman's been wanting to speak for a while. I'll
22 get to you in a second.
23   MR. MURTHY: Murthy from PNS
24 Communications. One of the things I just want to
25 address on the questions that have been going about

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1 is in a multi-dwelling unit, campus involvement or
2 multi-tenant unit as it's sometimes called, that
3 kind of requirement can be more, you know,
4 meaningful. There is an application for that. The
5 CLECs would come to you. CLECs sometimes there are
6 CLECs providing services to a metropolitan area or
7 they may be only providing to a building. They may
8 come to you for such a requirement. Anyway, my
9 question was, I have technical questions, I have
10 business questions and I'm going to ask only one at
11 a time so other people get a chance to ask.
12   MR. CRUZ: Great.
13   MR. MURTHY: What is the deployment
14 road map which covers locations, cities, states and
15 how are you going to decide where and when in what
16 logistics you are going to deploy all this over
17 three years and are you going to do any survey from
18 the CLECs depending on where the needs are, who is
19 interested, how many CLECs like here who are present
20 would be interested in giving, you know, their
21 feedback on priorities, especially this road map, in
22 terms of time?
23   MR. CRUZ: Just to paraphrase your
24 question, make sure I captured the essence, you're
25 interested in knowing the PRONTO build-out

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1   schedules, the priorities, what input or role does a
2   CLEC have to influence that prioritization process?
3   MR. MURTHY: Exactly, exactly.
4   MR. CRUZ: And I'm going to just punt
5   that right to James.
6   MR. MURTHY: You don't have to answer
7   the questions now.
8   MR. CRUZ: That's kind of out of my
9   realm of expertise so, James, is there something you
10 could share with the folks here or Marsha maybe?
11   MS. FISCHER: I mean, the targeted
12 wire centers are out on the web at that web address,
13 okay. And there are time frames for initial set,
14 okay. And I believe there's months for the
15 closer-in periods. We're talking about going into
16 quarters, okay, so you'll see wire centers. And
17 then as we unfold, and we're still working through
18 our planning processes, you'll begin to see RT
19 locations.
20   MR. MURTHY: And what are the
21 positions based on at this time for the road map?
22 Was there a feedback from the CLECs or where is the
23 concentration of users or something like that?
24   MS. FISCHER: There hasn't been
25 anything like that to date.

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1   MR. SAMSON: Marsha, would it be safe
2   to say or not, because I don't know, I would ask
3   that it's somewhat based on population and obviously
4   we're targeting big cities before rural areas, and
5   so there's some sort of intelligence based on
6   customer density that went into the schedule that's
7   been put together.
8   MR. KEOWN: Lots of demographic
9   information.
10   MR. SAMSON: Demographic information.
11   MR. CRUZ: Howard?
12   MR. SIEGEL: Howard Siegel, IP
13 Communications. Marsha, if you could clarify the
14 answer on new DLC. My understanding from your
15 answer was, but I'm not clear, is that where there's
16 existing DLC less than 18 kilofeet this is
17 architecturally put in but there won't be new DLC
18 being put in at under 18,000 kilofeet, that we're
19 talking about longer distances for new DLC
20 deployment with this architecture?
21   MS. FISCHER: Okay. The question is
22 kind of back to Sharon's original one. Are we going
23 to place this architecture less than 18 kilofeet?
24 Is that your assessment? The answer's yes, we will,
25 okay. If there are existing copper loops today, use

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1   your CO-based DSLAMs up to the distance and the
2   speed requirement that you need, all right? But
3   there are subdivisions, a variety of campuses, you
4   mentioned end users, those kind of things, they're
5   served by existing pair gain devices, okay, and we
6   are not going to go back and upgrade some of those.
7   We're going to place this in the same geographic
8   area and turn those houses green or whatever the
9   right choice of words are.
10   MR. SIEGEL: And I guess my question
11 was, where there's existing pair gain devices I
12 think I understood that from your question. I guess
13 my question was, will new pair gain devices be put
14 into the field at less than 18,000 kilofeet?
15   MS. FISCHER: Yes, yes, yes, because
16 you have if -- think about your CO-based DSLAM, if
17 you want to offer one and a half meg and you're
18 really pretty good up to 12 kilofeet, right, 12 to
19 17 and a half, you know, it's kind of marginal,
20 depends on the loops and the interferers, so yes.
21   MR. HUGMAN: Chris Hugman with
22 Connect South. To follow up to his question, so
23 does that mean that loops that I have that are
24 available to me today may not be available to me
25 tomorrow because of this?

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1   MS. FISCHER: No.
2   MR. KEOWN: No.
3   MS. FISCHER: No.
4   MS. TAFF-RICE: I'm sorry. Could you
5   explain that answer? How can that be? If there's
6   pair gain that's going to be there tomorrow that
7   isn't there today, how does that not eliminate a
8   loop that would be DSL capable?
9   MS. FISCHER: This pair gain is DLS
10 capable.
11   MS. TAFF-RICE: For ADSL only.
12   MS. FISCHER: Well, and for other
13 DSL.
14   MS. TAFF-RICE: But for other types
15 of DSL are you saying that putting new pair gain in
16 is not going to reduce the number of loops that
17 could be provided for any kind of DSL?
18   MR. SIEGEL: And specifically for
19 your DSLAM in your -- in the central office.
20   MR. SAMSON: Is the question are we
21 going to put pair gain -- this in and then take the
22 copper loops out or something along those lines? Is
23 that what you're requesting?
24   MS. FISCHER: Is that it?
25   UNIDENTIFIED SPEAKER: I'm struggling

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1 with --
2   MR. SAMSON: I don't believe, James,
3 it's not going to wreck any plant that's existing
4 today.
5   MR. KEOWN: Exactly. Whatever exists
6 out there today, this network is to go in to shorten
7 loops, make loops 12 kilofeet. But whatever exists
8 today, whatever copper's out there today that you're
9 riding a DSL service over today will be there
10 tomorrow, will be there till it deteriorates and rot
11 away from us.
12   MR. CRUZ: Let's not say that.
13   MR. KEOWN: Maybe not, but whatever
14 copper loop is out there today, you'll still be able
15 to buy that copper loop today if you want to buy it
16 and we have it available. Those UNEs will be made
17 available as far as I know. We aren't going to
18 wreck it out just because we're putting in this
19 architecture.
20   MR. CRUZ: Does that answer your
21 question or were you --
22   MS. LOPEZ: Well, I want to continue
23 on his question. This is Ann Lopez from Rhythms.
24 You're deploying at 12 kilofeet. I might be
25 deploying at 15, 16, 17 kilofeet and you put this

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1 in, you've knocked me out.
2   MR. KEOWN: No.
3   MR. SAMSON: How so, Ann?
4   MS. FISCHER: Kind of help me with --
5   MR. KEOWN: I'm not saying that.
6   MS. FISCHER: -- the thought process.
7   MR. KEOWN: This is not taking away
8 copper loops. So, if you're providing service out
9 to 16 kilofeet over existing copper loops today and
10 we've deployed this network, that 16 kilofoot copper
11 loop will still be there.
12   MR. SIEGEL: But as population grows
13 in that area, the percentage of loops that are
14 accessible to us in that area is going to diminish
15 because the new growth is going to be all served by
16 the DLC as opposed to new copper.
17   MR. KEOWN: Maybe.
18   MR. SAMSON: Well, yes and no. And
19 correct me if I'm wrong. Take a feeder. You have
20 an RT somewhere and there is a copper-fed RT, we
21 place a digital loop carrier, you might have an
22 argument that there's some competition for the F2
23 pairs now because the F2 that comes into that RT,
24 some are going to be cross-connected to the existing
25 copper F1s, some are now going to be connected to

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1 the new PROJECT PRONTO, but the number of copper F1
2 pairs did not go down. They're still there.
3   Now, as we provision new POTS service, in
4 fact, I might argue it frees up more copper pairs
5 because folks that aren't DSL capable aren't
6 interested in buying DSL, they just want a POTS
7 line, they will start being provisioned over the new
8 digital loop carrier and that will then take the
9 pressure off the voice-only use of the F1 copper
10 pairs.
11   So, you could argue it. I mean, every
12 case will probably be a slightly different mix and
13 who know for sure, but the F1 pairs, we're not
14 planning on short of normal cable maintenance, if
15 it's an old cable that's paper or pulp or whatever
16 and we have to replace it we do, but there's no
17 proactive plan to install this and then take out all
18 these existing F1 pairs. I think, James, you would
19 agree with that.
20   MR. KEOWN: I agree.
21   MS. TAFF-RICE: Has SBC done a study
22 as to whether this would reduce the number of F2s
23 that are available?
24   MR. SAMSON: Well, no, I don't think
25 you need to. The question was, is there some study

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1 that's been done to talk about if F2 pairs would be
2 reduced. The number of F2s, let's say an existing
3 neighborhood with no growth, okay, there's X number
4 of F2s there today. When you put in the pair gain
5 device, there's still the same number of F2. Some
6 of those folks are going to be POTS only customers
7 that may go through the new pair gain, may go on the
8 old copper. Some of those may be your DSL customers
9 that are on existing copper, so there's really
10 nothing that's going to happen with the F2.
11   Now, as additional neighborhoods come on
12 and we build additional F2 distribution, they will
13 be mapped into that RT, and depending on the
14 application, they may ride the digital loop carrier,
15 they may ride the existing F1. But I don't know
16 that there's a need to do any study. I'm not sure
17 what we'd be studying, per se, because what's there
18 is there and more copper distribution may be placed
19 but -- so, I guess I don't think, James, you or I
20 are understanding how this would reduce in any way
21 the amount of copper available to CLECs. Yes, sir.
22   MR. RALL: To the extent that you
23 deploy this architecture --
24   MR. CRUZ: I'm sorry. Could you give
25 us your name and company, please.

1   MR. RALL: Gary Rall with AT&T.
2   MR. CRUZ: Thanks, Gary.
3   MR. RALL: To the extent you deploy
4 this architecture and then you turn a neighborhood
5 green as you were saying so that you could pick up
6 higher speed DSL service and you run it back to the
7 central office and you're running that new
8 architecture and then the customer wants to switch
9 their service provider away from SBC to AT&T, for
10 instance, since you're saying that AT&T can't
11 provide both the voice and data over this new
12 architecture, you would have to swing that customer
13 back to copper and copper won't support the service
14 because before you put in this architecture it was
15 not a green architecture. So, you see, that's the
16 problem we have of not being able to utilize this on
17 a going-forward basis.
18   MR. SAMSON: So, I think what your
19 comment leads us to is what we said earlier is that
20 we need to take into consideration the request that
21 you had about having a product over this Litespan
22 that offers to an integrator provider both the voice
23 and the data stream over the Litespan rather than
24 just a DSL or just a line-shared loop.
25   MR. RALL: Right, and as a part of

1 that I think what was said below there, I think you
2 need to get input from the CLECs on where you deploy
3 this. I imagine your whole architecture's based on
4 ASI's deployment criteria right now and not the
5 CLECs.
6   MR. SAMSON: Well, I wouldn't agree
7 with that statement certainly, but I think we
8 mentioned it was based on population densities as a
9 rough gauge, you know, hit the big cities, the dense
10 markets. I bet James would --
11   MR. RALL: So, it's not based upon
12 anybody's data, any of the data CLECs input?
13   MR. SAMSON: James, I mean, you can
14 speak to that, but my understanding was a population
15 density type.
16   MR. KEOWN: It was a lot of
17 demographic data including population.
18   MR. SAMSON: Percent of existing DLC,
19 things like that.
20   MR. KEOWN: There's a variety of
21 marketing data that was gathered, punched into
22 computers and crunched out numbers that said these
23 look like the right locations that have the right
24 demographics for this type service. I don't --
25   MR. RALL: I think you should talk to

1 your customers about it rather than just making a
2 unilateral --
3   MR. CRUZ: There's a question way in
4 the back. I'm sorry. I'll get to you guys in just
5 one second. Yes, ma'am.
6   MS. BLAIN: Got a long list. What's
7 the density --
8   MR. CRUZ: I'm sorry, your name and
9 your company?
10   MS. BLAIN: Lucy Blain, Caprock
11 Communications.
12   MR. CRUZ: Hi, Lucy.
13   MS. BLAIN: What's the density of the
14 AFC UMC box, your Litespan 2000 and Litespan 1000 as
15 far as POTS subscriber accounts that are going to be
16 served out of each technical equipment?
17   MR. KEOWN: The Litespan 2000 POTS --
18   MR. CRUZ: Do you want to rephrase
19 the question for the folks on the call?
20   MR. KEOWN: The question is, how many
21 POTS customers can you have in a Litespan 2000 and a
22 UMC 1000 box. Marsha, help me on the UMC, but on
23 the Litespan 2000 you get 2,016 POTS assuming it was
24 completely plugged in, POTS only. On the UMC it's
25 672, I believe, 672 POTS customers in the UMC 1000

1 product.
2   UNIDENTIFIED SPEAKER: Can you speak
3 to DSL?
4   MS. FISCHER: Okay. For -- the
5 configurations vary, okay. We have some housings
6 that are CEVs, some that are huts and some that are
7 cabinets and there are various size cabinets as
8 well. As James said, though, on the Litespan 2000,
9 2,016 POTS, dependent upon the cabinet or the CEV or
10 the hut that number of ADSL circuits can go up. 672
11 is approximately.
12   MS. BLAIN: I'm actually talking
13 about POTS because I want to get a feel for how many
14 subscriber base that we can go after by going with,
15 you know, when you put in these DLCs, you know, how
16 many voice customers you're going to throw onto
17 these new Litespan and UMC devices.
18   MS. FISCHER: Okay.
19   MS. BLAIN: So that we can figure
20 out, you know, do we even want to take a chance at
21 this DLC location at all, you know, is there enough
22 opportunity out there for us.
23   MS. FISCHER: Right.
24   MS. BLAIN: So, what do you think is
25 the average line size of POTS customers served out

1 of some of these locations?
2   MS. FISCHER: What we'll do in
3 existing locations, we'll use our existing
4 technologies for POTS, okay. So, new ADSL
5 subscribers that would use this UNE, the POTS would
6 go on this architecture. New POTS growth would go
7 on there. 1,344 POTS with 672 ADSL is one
8 configuration. 2,016 POTS is the element. Now,
9 we're creating -- up there on the drawing you saw an
10 SAI. Those are neighborhoods typically, okay. And
11 if you read the investor briefing, there's something
12 called a neighborhood gateway. That's in essence
13 these remote terminals, okay, and there's anywhere
14 from maybe three to five distribution areas and
15 those distribution areas can have 200 to 600 living
16 units, okay. Yeah, and some of those are populated,
17 some of those have vacant land in them, that kind of
18 thing. So, I apologize. I don't know if there's a
19 pat answer to the question. It's going to vary by
20 site.
21   MS. BLAIN: That gives us a good
22 idea. Now, when you put in these new Litespans and
23 UMCs, how much -- I guess in the cabinets or CEVs,
24 how much OEM shelf space are you going to leave open
25 for CLECs and DLECs to be able to collocate inside

1 those cabinets and CEVs? Give me some idea. I
2 mean, are you just going to have one 19-inch shelf,
3 you know, worth of one shelf open or what are the
4 plans?
5   MS. FISCHER: We're still working
6 through that. There's two issues with all of these
7 housings that we need to be mindful of. One is
8 physical space. The other one is what we've called
9 up here environmental capacity, power, power drain
10 and heat, okay. We're working through some issues,
11 and what we've talked about is increasing the size
12 of our huts and CEVs beyond what we believe the
13 forecasted demand would be.
14   MR. SAMSON: On new bills.
15   MS. FISCHER: On new bills for -- and
16 again, this relates to PROJECT PRONTO, okay. And
17 then in cabinets, those may or may not have enough
18 space in them, okay. Again, we order different
19 configurations. So that's -- you know, that's
20 another reason why we've come to this product as it
21 is today is because it really lets us take
22 advantage, us being the entire community of interest
23 here, take advantage of the limited amount of
24 space. And as Chris said, one of our first
25 alternatives that we looked at was the CLECs owning

1 the card. And the dual card's what's available
2 today. The quad will be available later this year,
3 but that would give you four POTS and four ADSL on
4 the same card.
5   But the problem with that was, if each of
6 us only had, you know, one customer per Caprock, one
7 for Covad on a card, you had three ports in essence
8 vacant, which is a capital issue we thought for many
9 of the CLECs, but it was a space issue. You could
10 consume all the slots. So, with this product we
11 thought it just let us all collectively take
12 advantage of the limited amount of real estate
13 that's in the houses.
14   MR. MANN: Can I follow up on that
15 question because -- Gary Mann with Golden Harbor --
16 earlier you said that beyond 18 kilofeet the way
17 that the CLECs could actively compete was to
18 collocate, and the only way we can collocate is if
19 you provide enough space. And of course the only
20 way we know if that's economically feasible is if we
21 know what it's going to cost us to collocate versus
22 the prices for all these things you gave us at the
23 end that you haven't developed yet. So, how can we
24 compete if you're not going to provide space to
25 collocate though?

1   MR. SAMSON: Well, I can address that
2 from a -- you know, the RT is a real tricky place.
3 As I think you would agree, that there's no
4 requirement for us to go out and build more RTs and
5 make them bigger. At least that's the way we've
6 read the requirements that to the extent we have
7 space, absolutely, we need to provide via 9948 in
8 the collocation rules terms and conditions, and I
9 think in most of our states we have. The existing
10 collo terms you could submit an application to
11 collocate in an RT. I think the practical reality
12 is there's just a large number of those that there
13 just isn't going to be sufficient space. So then
14 the question becomes, if you want to collocate, you
15 absolutely can; put an application in and if there's
16 space it will be there. But if there's not, then
17 there isn't.
18   Now, when a new RT site is built, you
19 know, one of things that have been looked at is we
20 need to size these for -- as we would a year ago
21 when we're building an RT for a digital loop carrier
22 for traditional POTS, you don't build those extra
23 big just to have lots of room in there. You
24 oftentimes have rights-of-way issues and you only
25 have so much of a footprint to work with. So, on

1 new builds we're going to build them to size the
2 equipment that we need. There's been some
3 discussions internally do we need to somehow add an
4 extra 10 percent on the space that's in there to
5 provide for collocation, and we're working through
6 those. I don't know that there's a strong
7 requirement either way, but to the extent that we
8 can, we're going to try to accommodate that.
9   MR. MANN: Well, yeah, just going
10 back to Sharon's first question when we started this
11 discussion.
12   MR. SAMSON: Sure.
13   MR. MANN: And ya'll said that for
14 less than 18 kilofeet the copper's still going to be
15 there, so you have a viable alternative. For 18
16 kilofeet or greater, her response was you can
17 collocate. How can you collocate if you're not
18 going to have the space available?
19   MR. SAMSON: Well, and let me modify
20 that a little bit. Where space is available.
21 That's not the only option. I think sub-loops are
22 going to be available to the extent that you want to
23 place your own RT next to ours or pedestal or bring
24 some fiber. I mean, the sub-loop discussion, which
25 this in general UNE Remand sub-loop is probably

1 broader than the scope of today's meeting, but to
2 the extent that the options are available today with
3 or without PRONTO, and that is, you could collocate
4 where there's space, where there's not space,
5 perhaps you do an adjacent, you place your own RT
6 and we run a jumper between ours and yours, that set
7 of options that would be available with or without
8 PRONTO I think is what Marsha was referring to.
9 Those same set of options all exist for you.
10   And so, you know, if it's greater than
11 18,000 feet and it wouldn't have worked for you
12 today and you're not interested in this product that
13 we're offering, then those options are available
14 whether that be collocating or placing it next to us
15 or --
16   MR. MANN: All that kind of hinges on
17 whether or not you're going to make the voice and
18 data available together.
19   MR. SAMSON: And again, for the third
20 time, we need to go back and take a look at that.
21 That's a good point.
22   MR. CRUZ: Right up front, yes, sir.
23   MR. STOTLER: Stan Stotler with
24 Omniplex.
25   MR. CRUZ: Hi, Stan.

1   MR. STOTLER: Keeping with the voice
2 and data theme, could we look at Slide No. 8?
3 Because unless I misunderstood, I thought this is
4 showing us that indeed voice and data would be
5 available. I believe that's it.
6   MR. SAMSON: What was the question
7 again? I'm sorry.
8   MR. STOTLER: Well, I thought this
9 slide indicates that both voice and data would be
10 available. I also understood that the CLEC would be
11 purchasing ports for voice and data over the ATM
12 network. Is that not what we're showing here?
13   MR. KEOWN: No.
14   MR. STOTLER: You have an OC-3 POTS
15 and an OC-3 data going into your OCD.
16   MR. KEOWN: That OC-3 data pipe is a
17 shared pipe for all the DSL services riding out of
18 that RT.
19   MR. STOTLER: But would you not map
20 VCs through that network and then map those VCs over
21 to the CLEC connection into the ATM CLEC switch?
22   MR. SAMSON: James, isn't the ports
23 we're talking about really on this side? This is a
24 shared port for all data CLECs including ASI and
25 everyone else. This is common. This device

1 separates those packets out to the individual
2 carriers, and what you would be purchasing is a port
3 or two DC-3 or OC-3 on this side of it to get it
4 back to your collocation.
5   MR. KEOWN: That's correct.
6   MR. SAMSON: And on this side this
7 would be SBC-provided POTS coming in that SBC would
8 then demultiplex down and run into the switch.
9   UNIDENTIFIED SPEAKER: So, it could
10 be shared POTS.
11   MR. STOTLER: So, the POTS would not
12 be sent out on the outbound port in a DS3 or OC-3 to
13 the ATM switch that the CLEC owns?
14   MR. SAMSON: It'd be a DS1, wouldn't
15 it, into a digital switch or whatever?
16   MR. KEOWN: Whatever the DSO or
17 DS1. It won't come through the OCD, outbound ATM
18 switch, the voice won't.
19   MR. STOTLER: It cannot or it won't?
20   MR. KEOWN: It won't and cannot.
21 Well, it cannot under this architecture.
22   MR. STOTLER: Under this
23 architecture.
24   MR. SAMSON: You notice the OCD is
25 separate from where the POTS. The POTS is

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1 terminating in the traditional SONET here; is that
2 correct?
3   MR. KEOWN: Yeah.
4   MR. SAMSON: The OCD is where the
5 packets return --
6   MR. STOTLER: Okay. So, that's
7 really two separate --
8   MR. SAMSON: It's two separate
9 facilities, yes.
10   UNIDENTIFIED SPEAKER: And we're
11 going to -- we'll take the OCD.
12   UNIDENTIFIED SPEAKER: It's actually
13 not one network element, it's really two.
14   MR. KEOWN: It's actually two
15 separate network elements, two separate common
16 vendors that make those elements, as a matter of
17 fact.
18   UNIDENTIFIED SPEAKER: Okay. I
19 understand that.
20   MR. CRUZ: Yes, sir.
21   MR. NUTTALL: Gary Nuttall with Sage.
22 Are you saying in that picture, Allan, you just
23 pointed out the OC-3 POTS. Can that be a UNE CLEC
24 POTS as well? Because your voice splitter is out of
25 your RT, so if I'm doing my voice splitting out

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1 there, why can I not have UNE POTS and split out my
2 data and do the DSL on my data line and doing that
3 scenario? I mean, unless you put in place a policy
4 that says that cannot be UNE POTS, why would it not
5 work? I can understand that you're not providing a
6 data pipe back that has voice and data in the same
7 pipe where I can do a soft switch. I understand
8 that statement.
9   MR. SAMSON: Let me restate the
10 question for the folks on the call and to make sure
11 I heard it right. Is your question will SBC provide
12 an unbundled switch port and an unbundled loop using
13 this network and over that loop provide both data
14 and voice in the splitter functionality, in a sense
15 a line-sharing arrangement on a UNE P-type
16 configuration? Is that your question?
17   MR. NUTTALL: That's effectively it.
18   MR. SAMSON: SBC's position from the
19 line-sharing order is that line sharing is not
20 required to be provided in UNE P arrangements, and I
21 know a number of the companies that have been
22 involved in our line-sharing trial, we've had a lot
23 of discussions around that. And so at this point
24 that would probably be SBC's position that that's
25 not a requirement to do that.

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1   MR. NUTTALL: Another way to state
2 the answer is line sharing through PROJECT PRONTO is
3 only available on an SBC provided POTS service.
4   MR. SAMSON: This will be the fourth
5 time. Based on what we shared today, we understand
6 that you-all would like the opportunity to have
7 CLEC-provided voice over that and we had not
8 contemplated that previously. So, yes, today the
9 product that we're talking about is the 8 DB loop,
10 the DSL loop and a line-shared loop where SBC is the
11 POTS provider consistent we believe with what the
12 line-sharing order has asked us to do. Any add-ons
13 to that or anything?
14   MR. KEOWN: No.
15   MS. SMITH: I have a question. It
16 might have been answered previously, but I couldn't
17 hear. There was a question posed about whether or
18 not the POTS signal could go --
19   MR. CRUZ: I'm sorry to interrupt.
20 Could you tell us your name and the company you're
21 with, please?
22   MS. SMITH: I'm sorry. This is
23 Kristin Smith with Rhythms. Can the POTS signal not
24 go to the OCD? Is there a technical reason why it
25 can't or does it just not go there?

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1   MS. SAMSON: Doesn't go there.
2   MR. KEOWN: There's a technical
3 reason right now. The way the ADLU card is built,
4 it physically splits out, electronically splits out
5 the voice. And I guess maybe I should have repeated
6 the question. The question again was, is there a
7 technological reason why we can't send the voice
8 down the OC-3c pipe versus anywhere else. When it
9 hits that ADLU card out at the RT site, there is a
10 physical splitter there just like any other DSLAM,
11 just like any other splitter arrangement. The
12 difference is on the back plane of the Alcatel
13 equipment, that voice is routed up to the common
14 control arrangement where it is multiplexed onto the
15 OC-3 for voice only. So, the data is split off and
16 ridden over the ATM, if you will, cloud, the ATM
17 pipe, the OC-3c pipe. So, technologically the
18 equipment won't do that right now.
19   MR. SAMSON: We need to take just a
20 real short break. We've been instructed every hour,
21 so we need to take a five-minute break so they can
22 switch the tapes on that. And it's right at 3:00
23 o'clock now. If we could take a brief five minutes
24 or less, then we'll restart as soon as we get our
25 tapes all swapped out.

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1              (A recess was taken.)
2              MR. CRUZ: Go ahead, please.
3              MS. BLAIN: Can you go to Slide
4  No. 8? This is Lucy Blain from Caprock
5  Communications. Slide No. 8 where there's an OC-3
6  data going from the Litespan 2000 to the OCD. Can
7  you explain exactly how the different ADLU DSL PVCs
8  actually are going to be mapped to the OCD? Are
9  they going to be individual PVCs at the port on the
10 left side of the OCD or is it going to be aggregated
11 into one big PVC? How's that going to work?
12             MR. BOYER: You're asking how we're
13 actually going to provision the PVC from the
14 Litespan through the OCD?
15             MS. BLAIN: Because each end user
16 from the get-go has a PVC.
17             MR. BOYER: That's correct, each end
18 user does have a PVC. I guess I wasn't very clear
19 in my presentation, but what will happen is, is that
20 when you submit the LSR for the end user service
21 order, we will have a new FID put on the LSR for the
22 virtual parameters that are necessary to provision
23 the PVC. So, when you submit the LSR for the end
24 user service, we will ask the CLEC to put the
25 virtual path and channel indicator, virtual
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1  parameters on the LSR and it will flow through
2  within our system to actually provision the PVC at
3  both ends of the service, so --
4              MS. BLAIN: So, the option for us to
5  take that into our ATM network is we have to have an
6  ATM connection at the left side of the OCD.
7              MR. BOYER: Right.
8              MS. BLAIN: And the only options we
9  have you said was DS3 and OC-3?
10             MR. BOYER: That is correct.
11             MS. BLAIN: No DS1 or IMA?
12             MR. BOYER: You're talking about on
13 this side going from --
14             MS. BLAIN: Yeah, on the left side.
15             MR. BOYER: From here up to there?
16             MS. BLAIN: Right.
17             MR. BOYER: Yes, it's only OC-3 and
18 DS3 today.
19             MS. BLAIN: Will there be DS1 or end
20 time DS1 capabilities later? Because really going
21 out to DLCs, I don't see us ever chewing up a DS3 at
22 the DLC level, not with those subscriber caps.
23             MR. BOYER: I think at this point in
24 time the only thing that we're building ports that
25 are available on the device that we procured for the
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1  OCD is going to be an OC-3 and DS3. I can't speak
2  for the future.
3              MS. BLAIN: Oh, okay. So, different
4  RTs will home into the same OCD.
5              MR. BOYER: Right, that's a good
6  point. There will actually be like probably
7  anywhere from 15 and in some cases up to 25 or so
8  RTs going into that OCD, so if you have -- so, if
9  you bought a DS3 port like I indicated in the
10 presentation, we would allow you to buy a thousand
11 at the maximum. You could put approximately a
12 thousand PVCs over that one DS3 port. If you had a
13 thousand end users out of those 22 or so, 20 or so
14 RTs, that would be -- that would fill up the entire
15 DS3. So, as the network grows and we get more DSL
16 providers out in the field for all the different
17 customers, you'll probably see a lot of that usage
18 pick up.
19             MS. BLAIN: What quality of service
20 mappings are we allowed, or is it pretty much
21 whatever the Litespan can handle?
22             MR. BOYER: Pretty much is relegated
23 by the Litespan.
24             MS. BLAIN: Okay.
25             MR. CRUZ: I know -- one second.
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1  This gentleman over here to the right side had his
2  hand up for quite a white.
3              UNIDENTIFIED SPEAKER: I also have a
4  question on the bridge when you're done with that.
5              MR. CRUZ: I'm sorry, could you
6  repeat your name?
7              MR. DRAKE: William Drake with MCI
8  Worldcom. You have three proposals there now. They
9  do not cover all the needs or wants of MCI
10 Worldcom. Can I submit another proposal to you?
11             MR. CRUZ: Sure.
12             MR. DRAKE: All right. Do we do it
13 at this web address that is on here or what?
14             MR. BOYER: You can e-mail me.
15             MR. CRUZ: There's a -- on the
16 accessible letter that went out to all the CLECs,
17 there was an e-mail address to Chris Boyer. If you
18 guys would like to present that to us, that would be
19 great. And we'll probably just have to phone up to
20 the account team just to make sure they're plugged
21 in, but we can definitely entertain any options or
22 recommendations you have as well.
23             MR. DRAKE: Thank you.
24             MR. MURTHY: Such as a recommendation
25 or any communication to you, would it be transmitted
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